

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 IGA-02 OMB-01 TRSE-00 EB-08

L-03 COME-00 OPIC-03 XMB-02 SP-02 CIAE-00 INR-07

NSAE-00 FEAE-00 EUR-12 EA-10 /070 W

-----101876 301310Z /41

R 292045Z SEP 77

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 2510

LIMITED OFFICIAL USE BUENOS AIRES 7327

E.O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: \$250 MILLION PRIVATE LOAN PACKAGE FOR YPF

1. LOCAL PRESS REPORTS THAT MINISTRY OF ECONOMY MARTINEZ DE HOZ WILL TRAVEL TO NEW YORK SEPTEMBER 29 TO ATTEND SIGNING OF LETTER OF INTENT FOR \$250 MILLION LOAN PACKAGE FOR YPF, THE STATE-OWNED PETROLEUM COMPANY. THE LOAN WILL BE MADE BY A CONSORTIUM OF TEN BANKS (SIX FROM U.S., TWO FROM CANADA, ONE EACH FROM JAPAN AND GERMANY). THE U.S. BANKS INCLUDE WELLS FARGO (AGENT FOR THE TRANSACTION), BANKERS TRUST, MANUFACTURERS HANOVER, CHEMICAL BANK, UNITED CALIFORNIA, AND MORGAN GUARANTY. THE CREDIT HAS A TERM OF SEVEN YEARS, WITH 30 MONTHS GRACE. THE INTEREST RATE IS 1.5 PERCENT OVER LIBOR FOR THE FIRST FIVE YEARS AND 1.625 PERCENT OVER LIBOR FOR THE LAST TWO YEARS. \$150 MILLION OF THE CREDIT WILL BE USED TO CONSOLIDATE AND EXTEND THE TERM OF A PORTION OF YPF'S CURRENT SHORT-TERM DEBT (95 PERCENT OF YPF'S DEBT HAD A TERM OF LESS THAN 180 DAYS) AND \$100 MILLION FOR DRILLING.

2. LOCAL BANKERS TRUST AND WELLS FARGO REPS INFORMED EMBASSY THAT THEY CONSIDER THEMSELVES FORTUNATE TO HAVE BEEN ALLOWED TO PARTICIPATE IN LOAN PACKAGE. THEY INDICATED THAT SEVERAL OTHER U.S. BANKS, INCLUDING CITIBANK, WERE DISAPPOINTED THAT THEY HAD NOT BEEN SELECTED BY GOA TO FORM PART OF CONSORTIUM.

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3. COMMENT: THIS LOAN ILLUSTRATES THE STRONG CREDIT RATING BEING GIVEN BY PRIVATE FOREIGN BANKS TO ARGENTINA -- A RATING WHICH BANKING SOURCES INDICATE ALLOWS THEM TO OFFER ARGENTINA BETTER TERMS THAN THOSE FOR BRAZIL AND MEXICO. ARGENTINA NOW FINDS ITSELF IN THE ENVIABLE POSITION OF BEING ABLE TO PICK AND CHOOSE AMONG ITS CREDITORS AND IN THE PROCESS OBTAIN

EXCEPTIONALLY FAVORABLE TERMS. WITH A VIEW TOWARD ESTABLISH-
ING A CLOSER RELATIONSHIP WITH THE GOA, US BANKS ARE
EXPRESSING INCREASING INTEREST IN ESTABLISHING REPRESENTATIVE
OFFICES IN BUENOS AIRES.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, PETROLEUM INDUSTRY, PRIVATE LOANS, VISITS, BANKS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BUENOS07327
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770357-0006
Format: TEL
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977099/aaaaahmd.tel
Line Count: 67
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 76324a4b-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1361316
Secure: OPEN
Status: NATIVE
Subject: \$250 MILLION PRIVATE LOAN PACKAGE FOR YPF
TAGS: EFIN, ENRG, AR, US, YPF
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/76324a4b-c288-dd11-92da-001cc4696bcc
Review Markings:
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